

Message Text

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ORIGIN STR-02

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FRB-03 H-02 INR-07 INT-05 L-02 LAB-04 NSAE-00 NSC-05

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TO USDEL MTN GENEVA PRIORITY

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E.O. 11652:N/A

TAGS:ETRD GATT

SUBJECT: TRADE PREFERENCE PRESS RELEASE

MTN GENEVA PASS A. WOLFF

1. TEXT OF JOINT STR-STATE PRESS RELEASE TO BE ISSUED ON GSP FOLLOWS: PRESIDENT FORD TODAY SIGNED AN EXECUTIVE ORDER WHICH DESIGNATES 89 COUNTRIES AND 43 DEPENDENT TERRITORIES AS BENEFICIARY DEVELOPING COUNTRIES FOR THE PURPOSE OF THE UNITED STATES SYSTEM OF GENERALIZED TARIFF PREFERENCES (GSP). ISSUANCE OF THIS EXECUTIVE ORDER WILL PERMIT THE PUBLICATION IN THE FEDERAL REGISTER AND THE TRANSMITTAL TO THE INTERNATIONAL TRADE COMMISSION OF A LIST OF ARTICLES TO BE CONSIDERED FOR PREFERENTIAL TREATMENT.

2. THE TRADE ACT OF 1974 AUTHORIZES THE PRESIDENT TO JOIN
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WITH 18 OTHER DEVELOPED COUNTRIES IN IMPLEMENTING A GENER-

ALIZED SYSTEM OF PREFERENCES (GSP). THE U.S. SYSTEM WILL PROVIDE DUTY-FREE TREATMENT, WITHIN CERTAIN SPECIFIED LIMITS, TO IMPORTS OF A BROAD RANGE OF MANUFACTURES AND SEMI-MANUFACTURERS AND OF SELECTED AGRICULTURAL AND PRIMARY INDUSTRIAL PRODUCTS FROM DEVELOPING COUNTRIES FOR A PERIOD OF UP TO TEN YEARS, FOR THE PURPOSE OF STIMULATING THEIR ECONOMIC DEVELOPMENT AND IMPROVING U.S. ECONOMIC RELATIONSHIPS WITH THEM.

3. AN IMPORTANT U.S. FOREIGN POLICY OBJECTIVE IS TO FACILITATE THE ECONOMIC DEVELOPMENT OF POORER NATIONS. TARIFF

PREFERENCES WILL PROVIDE MORE EXPORT OPPORTUNITIES TO THESE COUNTRIES AND ENCOURAGE THEM TO SHIFT FROM RELIANCE ON PRODUCTION AND EXPORT OF AGRICULTURAL AND PRIMARY INDUSTRIAL PRODUCTS TO MORE BROADLY BASED INDUSTRIAL GROWTH. IMPLEMENTATION OF A SYSTEM OF TARIFF PREFERENCES IS PARTICULARLY IMPORTANT TO THE U.S. POLICY OF EXPANDED TRADE RELATIONS WITH THE DEVELOPING COUNTRIES OF THIS HEMISPHERE, AS WELL AS WITH OTHER PARTS OF THE WORLD. ALSO, TWO-WAY TRADE TENDS TO EXPAND AS NATIONS MOVE UP THE LADDER OF PRODUCTION AND STRENGTHEN THEIR ECONOMIES. U.S. TRADE SHOULD THEREFORE ALSO BENEFIT.

4. THE DESIGNATION OF BENEFICIARY COUNTRIES AND THE PUBLICATION OF POTENTIALLY-ELIGIBLE ARTICLES ARE REQUIRED PROCEDURAL STEPS IN IMPLEMENTING THE PREFERENCE SYSTEM. DURING THE NEXT SEVERAL MONTHS, THE INTERNATIONAL TRADE COMMISSION (ITC -- FORMERLY THE TARIFF COMMISSION) MUST HOLD PUBLIC HEARINGS AND ADVISE THE PRESIDENT WITH RESPECT TO THE PROBABLE DOMESTIC ECONOMIC IMPACT OF GRANTING PREFERENCES FOR THE ARTICLES UNDER CONSIDERATION. THE ADMINISTRATION ALSO WILL HOLD PUBLIC HEARINGS CONCERNING THE PRODUCT COVERAGE OF THE PREFERENCE SYSTEM.

5. THE TRADE ACT PROHIBITS THE GRANTING OF PREFERENCES TO ARTICLES WHICH THE PRESIDENT DETERMINES TO BE IMPORT-SENSITIVE, AS WELL AS SEVERAL DEFINED CATEGORIES OF IMPORT-SENSITIVE ARTICLES. THE LIST NOW TO BE PUBLISHED CONTAINS ALL MANUFACTURES AND SEMI-MANUFACTURES EXCEPT TEXTILES, FOOTWEAR, WATCHES, IMPORT-SENSITIVE STEEL, AND ARTICLES LIMITED OFFICIAL USE

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SUBJECT TO IMPORT RELIEF AND NATIONAL SECURITY ACTIONS. IN ADDITION TO THE PRODUCTS LISTED ABOVE, IMPORT-SENSITIVE GLASS AND ELECTRONIC ITEMS ARE EXPLICITLY EXCLUDED BY LAW FROM GSP. ADMINISTRATION DECISIONS AS TO WHAT PRODUCTS IN ADDITION TO THOSE NOW EXCLUDED FROM THE LIST MAY BE IMPORT-SENSITIVE WILL BE MADE FOLLOWING THE PUBLIC HEARINGS AND RECEIPT OF ADVICE FROM THE INTERNATIONAL TRADE COMMISSION. ANY ARTICLE ON THE LIST MAY BE REMOVED BY THE

ADMINISTRATION AT THAT TIME.

6. IN ADDITION TO DESIGNATING BENEFICIARY COUNTRIES, THE EXECUTIVE ORDER LIST 24 OTHER COUNTRIES WHOSE ELIGIBILITY IS UNDER ACTIVE CONSIDERATION, AND REQUESTS ITC CONSIDERATION OF THE IMPACT OF DUTY-FREE IMPORTS OF ARTICLES UNDER CONSIDERATION FROM THOSE COUNTRIES AS WELL. THIS LIST INCLUDES ALL MEMBERS OF THE ORGANIZATION OF PETROLEUM EXPORTING COUNTRIES (OPEC) AND SEVERAL OTHER COUNTRIES WHICH MAY BE AFFECTED BY EXCLUSIONARY PROVISIONS OF THE TRADE ACT WHICH DENY PREFERENCES TO COUNTRIES WHICH ENGAGE IN SUCH ACTIONS AS EXPROPRIATION OF U.S. PROPERTY IN VIOLATION OF

INTERNATIONAL LAW, OR WHICH GRANT MORE FAVORABLE TREATMENT TO IMPORTS FROM OTHER DEVELOPED COUNTRIES. COMMUNIST COUNTRIES ARE INELIGIBLE FOR PREFERENCES UNLESS THEY RECEIVE MOST-FAVORED-NATION TARIFF TREATMENT IN THE U.S. MARKET, ARE MEMBERS OF THE GENERAL AGREEMENT ON TARIFFS AND TRADE AND THE INTERNATIONAL MONETARY FUND, AND ARE NOT "DOMINATED OR CONTROLLED BY INTERNATIONAL COMMUNISM."

7. THE PRESIDENT AND SECRETARY KISSINGER HAVE EXPRESSED CONCERN REGARDING CERTAIN PROVISIONS OF THE GSP AUTHORITY CONTAINED IN THE TRADE ACT, PARTICULARLY THOSE WHICH RELATE TO OIL-PRODUCING COUNTRIES. THE PRESIDENT ANNOUNCED WHEN SIGNING THE TRADE ACT THAT: "IN THE SPIRIT OF CO-OPERATION WITH THE CONGRESS, I WILL DO MY BEST TO WORK OUT ANY NECESSARY ACCOMMODATIONS." CONSULTATIONS BETWEEN THE ADMINISTRATION AND THE CONGRESS ON POSSIBLE WAYS TO WORK OUT SUCH ACCOMMODATION ARE MAKING GOOD PROGRESS. INGERSOLL

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